

FY 2006 Bush Budget:

Breaks Promises, Underfunds K-12 Funding, and Forces Students to Pay More for College

Major Failures of the President's Budget

- President Bush shortchanges education for the fourth year in a row and, for the first time in recent history, actually cuts education funding. With his first budget of his second term, President Bush **proposes to cut funding for the Department of Education by \$530 million**, despite increasing college costs and the challenging academic requirements under the No Child Left Behind Act. President Bush also eliminates dozens of key programs, reducing the Federal investment in education by over **\$4.2 billion**.
- President Bush denies critical services to millions of disadvantaged children – breaking funding promises on No Child Left Behind – again. President Bush's Budget will deny nearly 3 million disadvantaged children critical education services, such as extra help to become proficient in reading and math. He shortchanges the No Child Left Behind Act (NCLB) by \$12 billion—including \$9.4 billion for Title I. **Since NCLB was signed into law President Bush has underfunded the law by \$39 billion.**
- President Bush breaks promise on Pell Scholarships again – falling nearly \$1,000 short of his \$5,100 pledge. President Bush's Budget breaks his promise to provide a \$5,100 Pell scholarship, only increasing the maximum Pell by \$100 this year, falling nearly \$1,000 short of his promise to students.
- President Bush forces millions of low- and middle-income students to pay thousands more for their college loans. The Bush budget eliminates the current low-fixed-rate consolidation benefit. According to the non-partisan Congressional Research Service (CRS), **this change will force the typical student borrower to pay \$5,500 more for his college loans.**
- The Bush budget jeopardizes college attendance for more than 1 million students, while increasing the cost of college for teachers, military service members and law enforcement officers. The President's FY 06 budget eliminates the GEAR UP, Talent Search and Upward Bound programs—which ensure that millions of high risk students succeed in high school and move on to college. In addition, despite skyrocketing student loan debt, President Bush abolishes loan forgiveness for teachers, military service members, and law enforcement officers by eliminating the Perkins Loan cancellation program.
- President Bush raises taxes on college students. The Bush Budget forces a tax on student loans that would charge students nearly \$3 billion in additional taxes over the next ten years.
- Bush Budget jeopardizes existence of Head Start – The Bush Budget provides no new money for the Head Start program. This freeze means that **25,000 children will be cut from the program next year** and programs will have to trim back critical services. The Budget again proposes a radical state block grant program that will begin to dismantle Head Start and gives Governors \$45 million for unproven experiments with no accountability.

- Bush jeopardizes aid to children of military families. The Bush budget freezes basic Impact Aid funding at last year's level and cuts funding for the Impact Aid school construction program. This jeopardizes services for children of military families, just as hundreds of thousands of American military personnel are risking their lives in Iraq and elsewhere.
- Bush Budget shuts nearly 1.7 million children out of afterschool programs – breaks his NCLB promise. The Bush budget freezes funding for the 21st Century Community Learning Centers program – the main Federal funding for afterschool programs – at last year's level. As a result of President Bush breaking the funding promise he made in NCLB, nearly 1.7 million children will not be able to attend afterschool programs.
- Bush Budget jeopardizes school safety efforts – eliminates funding for school violence and drug prevention. The FY 06 Bush Budget completely eliminates funding to schools and communities for the Safe and Drug Free Schools program. Safe learning environments are critical to student achievement. The loss of these resources severely undermines the work of schools and communities in reducing violence and drug use.
- Bush budget shortchanges public school students while funding failed private school voucher scheme. The Bush budget proposes \$75 million for private school vouchers. At a time when our *public* schools are trying to meet the challenges of NCLB, the Administration is diverting resources away public school students and local efforts to improve public schools.
- President Bush makes certain that full funding of special education will never happen. The Bush budget proposes a \$500 million increase for the Individuals with Disabilities Education Act (IDEA). Despite President Bush promising to fully fund IDEA, at this rate of increase full funding will never be accomplished. This marks the 5th year in a row President Bush has failed to put us on the path to fully funding IDEA. President Bush's budget puts us \$12.7 billion short of full funding and \$3.5 billion short of the level authorized in the recently adopted IDEA Improvement Act of 2005.
- President Bush eliminates vocational education funding, destroying innovative career and technical education programs for students attending high school and community college. The Bush Budget would eliminate the \$1.3 billion vocational education program, cutting off a pipeline to job opportunities in emerging fields such as telecommunications and health care for millions of students. The FY 06 budget request brings the total amount that President Bush has proposed to cut from job training and vocational education programs since he took office to \$3.35 billion.

Failure to Ensure Adequate Investments

Shortchanging bipartisan education reform. For the fourth straight time the Bush budget would fail to provide the promised resources for the No Child Left Behind Act (NCLB), bipartisan K-12 education reform legislation signed into law in 2002. The Budget falls \$12 billion short of the funding commitment made in NCLB to K-12 education. The Bush FY 2006 budget translates into the Administration shortchanging NCLB by \$39 billion since its enactment.

Failing to Support NCLB and Close the Achievement Gap

| Numbers in billions | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| NCLB Authorized Level (in billions) | \$26.42 | \$29.22 | \$32.02 | \$34.32 | \$36.87 |
| FYs 02, 03, 04 and 05 Enacted Appropriations and FY 06 Bush Request (in billions) | \$22.2 | \$23.84 | \$24.46 | \$24.52 | \$24.84 |
| NCLB shortfall (in billions) | - \$4.2 | - \$5.38 | - \$7.55 | - \$ 9.80 | - \$12.0 |
| TOTAL | | | | | \$39 |

Fourth consecutive year of historically low education investment. President Bush proposes to **cut funding for the Department of Education by \$530 million (a 1% cut)** in contrast to the average increase of 10.6% over the past 9 years. The President's failed tax policy has driven the deficit up to record levels, forcing drastic cuts in our most important programs. Inadequate federal investments will further jeopardize education reform focused on improved accountability, teacher quality, and school safety and hamper postsecondary access for disadvantaged students.

The First Cut in Education in 10 Years, in *Nominal* Terms

| | | |
|--|------------------------|----------------|
| Bush FY 2006 Request | - \$530 million | - 1.0 % |
| 2005 | +916 million | +1.6 % |
| 2004 | + \$2.5 billion | + 4.8 % |
| 2003 | + \$3.2 billion | + 6.4 % |
| 2002 | + \$7.7 billion | + 18.2% |
| 2001 | + \$6.6 billion | + 18.6% |
| 2000 | + \$2.1 billion | + 6.0 % |
| 1999 | + \$3.6 billion | + 12.1 % |
| 1998 | + \$3.3 billion | + 12.2 % |
| 1997 | + \$3.6 billion | + 15.7 % |
| <i>Historic Average (1997-2005)</i> | + \$3.7 billion | + 10.6% |

Terminates Critical Priorities

The President's Budget would terminate 48 education programs, reducing the Federal investment in education by \$4.3 billion. **These programs help disadvantaged children prepare for and attend college and assist schools in meeting the challenges of NCLB.** Among the programs terminated are critical priorities such as:

- GEAR UP – provides critical funding to support college preparation for disadvantaged children.
- Perkins Loans – fills the gap between the cost of attending college and financial aid packages.

- Safe and Drug Free Schools – provides resources to ensure school safety and reduce drug abuse.
- Technology State Grants – provides funding to close the digital divide and improve academic achievement.
- Comprehensive School Reform – provides assistance to schools to implement public school reform programs.
- Dropout Prevention Programs – provides funding targeted toward reducing the dropout rate among at-risk populations; the only such Department of Education funding source.
- Smaller Learning Communities – provides resources to reduce school size, especially in high schools.
- State College Scholarship Program, or LEAP – leverages more than \$1 billion in state spending on college aid to students.
- School Leadership – provides improved training opportunities for principals and assistant principals.
- Elementary School Counseling – provides resources to support elementary and secondary school counseling programs.
- Even Start – provides funding to support family literacy programs – improving the literacy skills of both children and their parents. **This elimination will mean that 52,000 children and 39,000 adults will be denied family literacy services.**
- Arts in Education – funds art programs for disabled children.

Elementary and Secondary Education

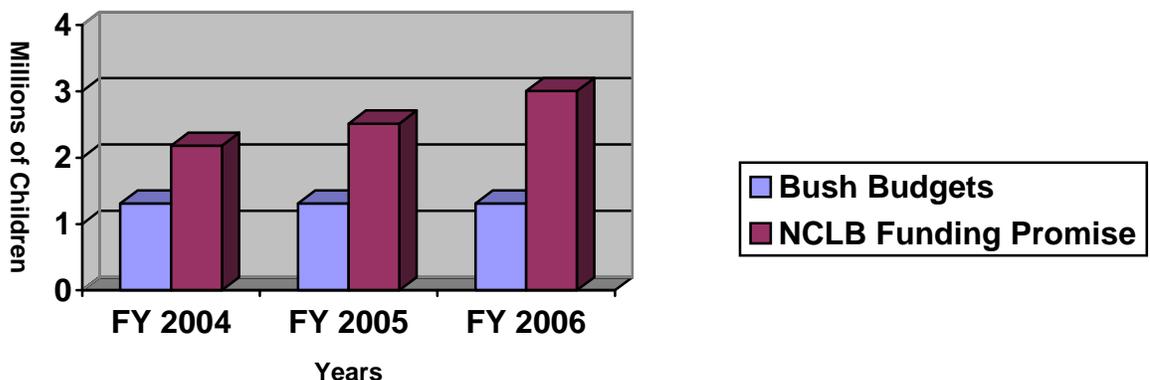
Fails to meet the commitments of bipartisan education reform. Just three years ago, Congress and the President enacted the most important education reform legislation in 30 years – the No Child Left Behind Act (NCLB). NCLB focused on improving quality and accountability for results in exchange for significantly increased resources. Unfortunately, the Bush Administration has abandoned its commitment to this law. Through low levels of funding and implementation no better than an absentee landlord, the Administration has failed miserably at helping our schools meet the implementation challenges of this law. Now, the FY 2006 Bush budget makes the job that schools are trying to do harder. The FY 06 Budget would:

- **Shortchange nearly 3 million students from extra academic help.** President Bush's FY 06 budget will provide \$13.34 billion in funding for the Title I program. This program provides additional assistance to our most disadvantaged children in math and reading. **This level is \$9.4 billion short of the \$22.75 billion the President and Congress agreed to provide in NCLB in FY 2006.** Because of these shortfalls, the Bush Budget will deny nearly 3 million disadvantaged children critical education services, such as extra help to become proficient in reading and math.
- **Requires new tests when existing requirements are still being implemented.** President Bush's FY 06 budget expands NCLB's testing requirements to two additional high school grades. This proposal comes at a time when States and school districts will be implementing the requirement to test annually in grades 3-8 next school year.
- **Freezes AfterSchool Programs – 1.7 children shut out of afterschool programs.** The Bush budget irresponsibly freezes funding for the effective and popular 21st Century Community Learning Centers Initiative. The 21st Century Community Learning Centers program provides

safe, healthy places for over 1.3 million children to learn after school. Under NCLB, the President promised to fund this program at \$2.25 billion in FY 2006. This broken promise would deny nearly 1.7 million additional children the ability to attend afterschool programs.

- **Misleads the public on resources for high school reform.** The Bush administration has trumpeted an investment of over \$1 billion in high school reform efforts. In reality, over \$600 million of these funds are required to continue existing grants made for other education programs. In addition, the remaining resources are being taken from existing programs.
- **Supports private school vouchers while shortchanging public schools.** President Bush's budget proposes a private-school voucher scheme—a \$75 million voucher program. These wrongheaded ideas are being promoted by the Bush Administration at exactly the same time our schools are trying to meet the challenges of NCLB and local efforts to improve public schools.
- **Freezes bilingual education funding for the fourth year in a row.** The Bush budget freezes Bilingual Education at \$681 million, **even though the number of students with limited English proficiency is growing rapidly.** This proposal provides no increase in bilingual education for the fourth year in a row.
- **Jeopardizes school safety and drug abuse prevention.** The Bush budget eliminates funding for the Safe and Drug Free Schools State grant program. This means **NO Federal resources to ensure safety and reduce drug abuse in our schools.** This elimination will compromise existing efforts to ensure safe learning environments and safeguard students from terrorist threats.
- **Eliminates technology education.** The Bush budget eliminates the federal investment in educational technology. Studies show that technology can substantially raise student achievement. This proposal funds technology programs at the same level for the third year in a row.

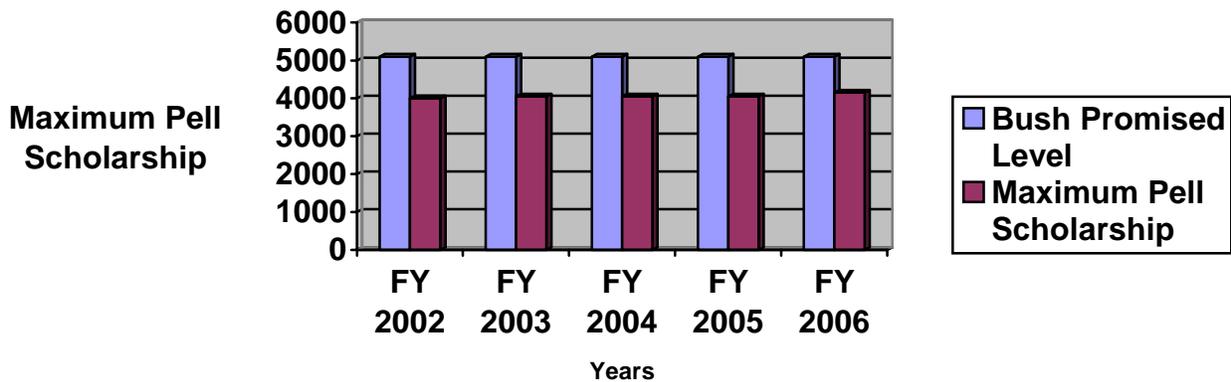
Bush Budget Shuts the Door for Millions of Children Seeking Afterschool Programs



Higher Education

Bush breaks his promise to raise the maximum Pell scholarship to \$5,100. While campaigning in 2000, George W. Bush pledged to make college more affordable and accessible by increasing the maximum Pell scholarship for college freshman to \$5,100, but he has yet to make good on his promise. In fact, Bush is breaking his promise again just as millions of students are struggling to pay for college, and despite the fact that the 2003-04 maximum Pell scholarship was worth nearly \$800 less than the maximum scholarship nearly 30 years ago. In addition, Bush's proposal to increase the maximum Pell Scholarship by \$100, or 2.5 percent over last year, barely keeps pace with inflation.

Bush Breaks \$5,100 Pell Promise Again Forcing Millions of Students to Pay More for College



Bush forces millions of low- and middle-income students to pay thousands more for college loans. Echoing the House Republican's 2004 plan, President Bush's budget eliminates the current low fixed rate benefit for student borrowers who consolidate their loans. **According to the nonpartisan Congressional Research Service (CRS), this change would force the typical student borrower to pay \$5,500 more for his college loans.**

President Bush allows college tuition to soar unchecked. In the past few years, the weakened economy, regressive tax cuts for the wealthy and federal budget cuts have pushed higher tuition prices onto college students and their families. Just this past year alone, tuition has increased an average of 11% at 4-year public institutions, 9% at 2-year public institutions, and 6% at 4-year private schools. However, not only does President Bush's budget ignore the struggles of millions of Americans to cover rising tuition, but it actually makes college loans more expensive and cuts or freezes key student aid.

Raises taxes on students, making college loans more expensive. The Bush Budget forces a tax on college loans that would charge students nearly \$3 billion in additional taxes over the next ten years.

Bush eliminates loan forgiveness to teachers, military service members and law enforcement officers. In his FY 06 budget President Bush eliminates the Perkins Loan program and as a result, just this year alone more than 670,000 student borrowers could lose out on loan forgiveness if they become teachers, law enforcement officers or if they serve in the military.

Bush jeopardizes college for more than 1 million disadvantaged and minority students. The FY 06 Bush Budget completely eliminates funding for the GEAR UP, Upward Bound and Talent Search

programs. **As a result of these cuts, about 1.3 million students—70 percent of whom are minorities—will lose the support that they need to make it to college.**

Bush budget invites increased fraud and abuse in the student aid programs. Despite numerous reports of fraud and abuse in the student aid programs within the for-profit college sector, including a very disturbing report on ‘60 Minutes’ earlier this month, the Bush budget contains provisions that will make easier for bad actors to defraud students and fleece taxpayers. As a result, thousands of students may receive worthless degrees, while taxpayers would be forced to foot the bill for millions in defaulted loans and unnecessary costs.

Freezes work-study and supplemental college grants. President Bush freezes funds for work-study and Supplemental Educational Opportunity Grants (SEOG), which provide aid to students with the most need.

Bush leaves 99 percent of all Pell recipients behind with ‘expanded’ Pell programs. Only about 1% of all Pell Scholarship recipients would be allowed to benefit from the new ‘expanded’ Pell Scholarships for state, math and science scholars.

Eliminates the state college scholarship initiative (LEAP), risking \$1 billion in non-federal student aid. President Bush eliminates the \$66 million Leveraging Educational Assistance Partnerships (LEAP) initiative, which encourages states to establish college scholarships for college students. In 2001-2002, the federal investment in LEAP leveraged more than \$1 billion in matching state spending.

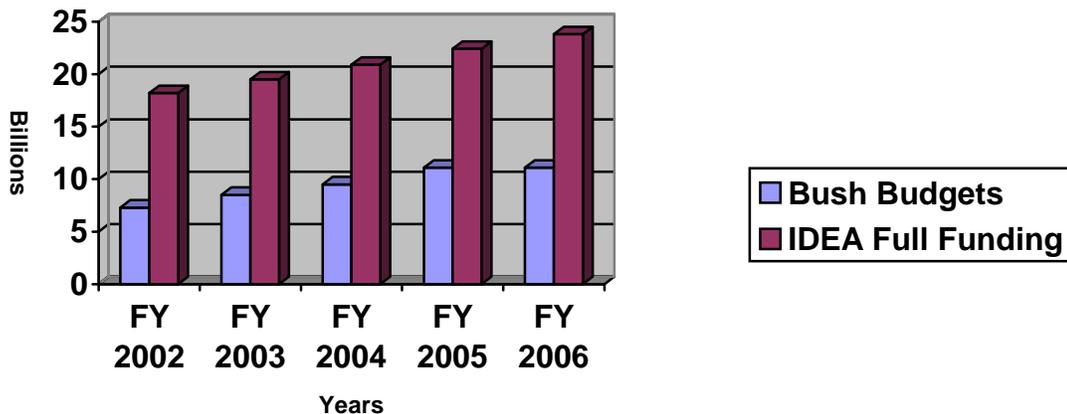
Bush places billions in student aid at risk. President Bush’s FY 06 budget puts stable student aid administrative funds at risk by subjecting them to an annual appropriation. The Bush change will force administrative funding to compete against Pell grants and other higher education priorities for resources, and will jeopardize Education’s ability to administer the student aid programs—which have a long history of fraud and abuse—safely and soundly.

Special Education

The Individuals with Disabilities Education Act (IDEA) provides critical resources to educate children with disabilities along with a system of civil rights protections designed to ensure children with disabilities are afforded a high quality education. In 1975, the Federal government committed to providing 40% of the cost of educating children with disabilities. This 40% level is often referred to as “full funding” of IDEA.

Unfortunately, the Bush Budget fails to fully fund special education, renege on a 30-year promise to children with disabilities. President Bush has now requested a \$1 billion increase for special education in each of his last 4 budgets, including FY 05. In his FY 06 Budget, his request only amounts to a \$508 million increase. At this rate of increase the commitment to fully fund special education will never be met. The FY 06 Bush Budget leaves us \$12.7 billion short of full funding and \$3.5 billion short of the level authorized for 2006 in the recently passed IDEA Improvement Act.

Bush Breaks IDEA Full Funding Promise



Vocational Education and Adult Education

Vocational education provides important training and education opportunities to students in high schools and community colleges. The current system supports training and education in cutting edge fields of health care, technology and others. In addition, Adult Education continues to provide opportunities for adults to improve their literacy and workplace skills. Both vocational and adult education programs continue to play a crucial role in training Americans for high paying and rewarding careers.

The Bush Budget loses sight of the important job training and economic benefits of vocational and adult education programs. The Bush Budget:

- **Eliminates vocational education.** The Bush Budget eliminates funding for vocational education. This translates into a loss of over \$1.3 billion in resources that are used for training and improved academic achievement.
- **Jeopardizes literacy services to 2.8 million adults.** The Bush Budget cuts \$370 million from adult education, jeopardizing services to 2.8 million adults who have levels of literacy that make it difficult for them to hold employment or help their children with their school work.
- **Reflects lack of Administration concern over training and job opportunities.** The elimination of vocational education funding will directly impact community college efforts to ensure a highly trained American workforce. The elimination of vocational education funding comes on top of efforts by President Bush to cut \$675 million in vocation education funding since he took office.

Early Education

Preschool education is one of the most important pieces in making sure children do well in school and in life. High-quality pre-K education improves children's preliteracy, pre-math, and social skills so that when they start kindergarten they are ready to succeed. Children who attend high quality pre-k are less likely to need special education, are less likely to be held back in school, are less likely to commit

crimes, and are more likely to graduate from high school. The President has called early literacy “one of his highest priorities.” Yet his budget demonstrates that early education is one of his lowest priorities.

Reduces Head Start services. The Bush Budget provides no new money for the Head Start program, thereby cutting 25,000 children from the program. This will be the second straight year the Bush budget will not cover the cost of inflation, meaning that programs will be forced to continue cutting critical early education services to children and families. Already during the Bush administration, inadequate funding has required programs to cut the number of children served, reduce services, decrease the length of the school year or school day, and lay off teachers. The Bush Budget will directly harm America’s poorest children and families and hurt their chances to succeed in school before they even start kindergarten.

Jeopardizes existence of Head Start. The Bush Budget re-proposes a radical block grant program that will begin to dismantle Head Start. Instead of providing money to existing Head Start programs, the Bush Budget diverts \$45 million in new funding to Governors.

Child Care and Development Block Grant

Bush increases child care waiting lists by HUNDREDS OF THOUSANDS. The Child Care and Development Block Grant (CCDBG) is a critical program providing child care assistance for low income families working to get off welfare and stay off welfare and providing early education to our country’s most disadvantaged children. In many states, waiting lists for CCDBG assistance are already tens of thousands of families long. By freezing funding for CCDBG for the fourth consecutive year, the Bush budget – by their own admission will cut assistance to an additional 300,000 children by 2009. This comes on top of the 200,000 children that the Administration reports were dropped from the program just last year.

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